

Harris County Flood Control District
A Component Unit of Harris County, Texas

General Purpose Financial Statements
Fiscal Year Ended February 28, 2002

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**GENERAL PURPOSE FINANCIAL STATEMENTS
FISCAL YEAR ENDED FEBRUARY 28, 2002**

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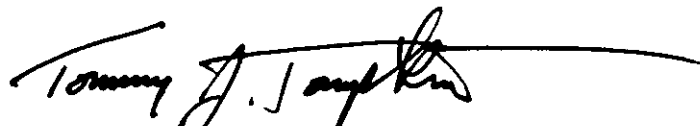
TOMMY J. TOMPKINS, C.P.A.
HARRIS COUNTY AUDITOR

FINANCIAL STATEMENT RESPONSIBILITY

The Harris County Auditor is responsible for the preparation of the accompanying financial statements and supplemental information for the fiscal year ended February 28, 2002, of the Harris County Flood Control District (the "District"), a component unit of Harris County, Texas. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The County Auditor is responsible for the integrity and objectivity of the data presented in the statements and schedules including the making of informed judgments and estimates of the expected effects of events and transactions that are not concluded by year end.

The management of the District is responsible for maintaining an internal control system designed to ensure that the assets of the District are protected from loss or misuse and to provide reasonable assurance as to the integrity and reliability of the financial statements. The system of internal control provides for segregation of duties and is documented by written policies and procedures. The Harris County Auditor's Office also has an internal audit function to review the operations of the District for effective internal control and compliance with statutory requirements. To the best of our knowledge, management has considered the Harris County Auditor internal auditor's recommendations concerning the District's system of internal control and has taken appropriate action to address these recommendations. District management believes that the District's internal control system is adequate to accomplish the objectives discussed above as of February 28, 2002.

The District's financial statements known as *the General Purpose Financial Statements* have been audited by Deloitte & Touche LLP, independent certified public accountants who were engaged by the Harris County Commissioners Court for the purpose of expressing an opinion on those financial statements. District and County management has made available to their independent auditors direct access to District and County officers and employees and all the District's financial records and related data as well as the minutes of the Commissioners Court meetings. Harris County and the District believe that all representations made to Deloitte & Touche LLP were valid and appropriate.


Tommy J. Tompkins, C.P.A.
County Auditor

July 19, 2002



INDEPENDENT AUDITORS' REPORT

County Judge Robert Eckels
and Members of Commissioners Court of
Harris County, Texas:

We have audited the accompanying general purpose financial statements of the Harris County Flood Control District (the "District"), a component unit of Harris County, Texas (the "County"), as of February 28, 2002, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the District, as of February 28, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the general purpose financial statements, the District changed its method of accounting and financial reporting for nonexchange transactions to conform to Statement of Governmental Accounting Standards Board No. 33 as of and for the year ended February 28, 2002.

The supplemental schedules on pages 25-44 are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2002, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

July 19, 2002

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
February 28, 2002

	Governmental Fund Types			Account Groups		Total (Memorandum Only)	
	Operations and Maintenance (General)	Debt Service	Capital Projects	General Fixed Assets	General Long- Term Debt	2002	2001
ASSETS AND OTHER DEBITS							
Cash and Investments (Note 2):							
Cash and Cash Equivalents	\$ 51,051,952	\$ 2,624,807	\$ 72,745,925	\$ -	\$ -	\$ 126,422,684	\$ 117,590,440
Investments	-	31,313,334	-	-	-	31,313,334	28,735,814
Receivables:							
Taxes, Net (Note 3)	2,410,458	4,313,095	-	-	-	6,723,553	6,426,685
Accounts	577,749	388,464	-	-	-	966,213	283,136
Accrued Interest	197,668	144,601	259,803	-	-	602,072	1,155,271
Due From Other Funds	1,045,294	838,100	147,831	-	-	2,031,225	2,017,245
Land (Note 4)	-	-	-	72,956,006	-	72,956,006	26,825,793
Buildings (Note 4)	-	-	-	5,059,730	-	5,059,730	5,059,730
Improvements Other Than Buildings (Note 4)	-	-	-	1,200,668	-	1,200,668	1,200,668
Equipment (Note 4)	-	-	-	8,049,464	-	8,049,464	9,402,292
Construction Work in Progress (Note 4)	-	-	-	24,564,731	-	24,564,731	10,502,041
Flood Control Projects (Note 4)	-	-	-	895,849,172	-	895,849,172	893,126,218
Amount Available in Debt Service Funds For:							
Debt Service	-	-	-	-	34,994,159	34,994,159	37,610,183
Amount to be Provided For:							
Retirement of General Long-term Debt	-	-	-	-	193,857,404	193,857,404	167,546,802
Compensatory Time Payable	-	-	-	-	291,534	291,534	248,146
TOTAL ASSETS AND OTHER DEBITS	\$ 55,283,121	\$ 39,622,401	\$ 73,153,559	\$ 1,007,679,771	\$ 229,143,097	\$ 1,404,881,949	\$ 1,307,730,464

See notes to the financial statements.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
February 28, 2002

	Governmental Fund Types			Account Groups		Total (Memorandum Only)	
	Operations and Maintenance (General)	Debt Service	Capital Projects	General Fixed Assets	General Long- Term Debt	2002	2001
LIABILITIES, EQUITY AND OTHER CREDITS							
Liabilities:							
Vouchers Payable	\$ 2,926,702	\$ 170,659	\$ 4,634,574	\$ -	\$ -	\$ 7,731,935	\$ 2,824,796
Accrued Payroll and Compensated Absences	1,301,848	-	-	-	-	1,301,848	1,361,305
Retainages Payable	218,468	-	556,244	-	-	774,712	627,428
Due to Other Funds	113,821	144,488	168,000	-	-	426,309	681,944
Due to Other Units	-	-	-	-	-	-	290,051
Deferred Revenues	2,410,600	4,313,095	-	-	-	6,723,695	6,426,827
Bonds Payable (Note 5)	-	-	-	-	190,767,563	190,767,563	205,156,985
Commercial Paper Payable (Note 5)	-	-	-	-	38,084,000	38,084,000	-
Compensatory Time Payable (Note 5)	-	-	-	-	291,534	291,534	248,146
Total Liabilities	6,971,439	4,628,242	5,358,818	-	229,143,097	246,101,596	217,617,482
Equity and Other Credits:							
Investment in General Fixed Assets	-	-	-	1,007,679,771	-	1,007,679,771	946,116,742
Fund Balances:							
Reserved for:							
Encumbrances	19,674,421	-	21,805,084	-	-	41,479,505	37,726,464
Debt Service	-	34,994,159	-	-	-	34,994,159	37,610,183
Unreserved:							
Designated for Capital Projects	-	-	45,989,657	-	-	45,989,657	45,934,435
Undesignated	28,637,261	-	-	-	-	28,637,261	22,725,158
Total Equity and Other Credits	48,311,682	34,994,159	67,794,741	1,007,679,771	-	1,158,780,353	1,090,112,982
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 55,283,121	\$ 39,622,401	\$ 73,153,559	\$ 1,007,679,771	\$ 229,143,097	\$ 1,404,881,949	\$ 1,307,730,464

See notes to the financial statements.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

**For The Year Ended February 28, 2002
With Comparative Totals
For The Year Ended February 28, 2001**

	Operations and Maintenance (General)	Debt Service	Capital Projects	Total (Memorandum Only)	
				2002	2001
Revenues:					
Taxes (Note 3)	\$ 48,240,512	\$ 31,947,788	\$ -	\$ 80,188,300	\$ 93,148,942
Charges for Services	261,309	-	-	261,309	255,419
Intergovernmental	124	-	12,114,129	12,114,253	5,586,540
Interest	2,027,238	1,048,526	3,371,681	6,447,445	8,883,904
Miscellaneous	432,924	-	4,008,786	4,441,710	4,778,504
Total Revenues	50,962,107	32,996,314	19,494,596	103,453,017	112,653,309
Expenditures:					
Current Operating:					
Flood Control	44,533,695	-	-	44,533,695	43,459,875
Tax Administration	738,144	-	-	738,144	875,413
Capital Outlay	-	-	52,368,230	52,368,230	39,344,073
Debt Service (Note 5):					
Principal Retirement	-	20,244,282	-	20,244,282	22,170,242
Interest and Fiscal Charges	-	17,148,324	-	17,148,324	22,411,765
Total Expenditures	45,271,839	37,392,606	52,368,230	135,032,675	128,261,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,690,268	(4,396,292)	(32,873,634)	(31,579,658)	(15,608,059)
Other Financing Sources (Uses):					
Operating Transfers In From Harris County	600,000	-	-	600,000	-
Operating Transfers In	-	2,095,415	315,147	2,410,562	25,423,647
Operating Transfers Out	-	(315,147)	(2,095,415)	(2,410,562)	(25,423,647)
Proceeds From Sale of Commercial Paper	-	-	38,084,000	38,084,000	-
Total Other Financing Sources (Uses):	600,000	1,780,268	36,303,732	38,684,000	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	6,290,268	(2,616,024)	3,430,098	7,104,342	(15,608,059)
Fund Balances, Beginning	42,021,414	37,610,183	64,364,643	143,996,240	159,604,299
Fund Balances, Ending	\$ 48,311,682	\$ 34,994,159	\$ 67,794,741	\$ 151,100,582	\$ 143,996,240

See notes to the financial statements.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**COMBINED STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS
OPERATIONS AND MAINTENANCE (GENERAL) AND BUDGETED DEBT SERVICE FUNDS**

For The Year Ended February 28, 2002

	OPERATIONS AND MAINTENANCE (GENERAL) FUND			DEBT SERVICE FUNDS		
	Budget	Actual (Note 1)	Favorable (Unfavorable) Budget	Budget	Actual (Note 1)	Favorable (Unfavorable) Budget
Revenues and Other Financing Sources:						
Taxes	\$ 63,818,860	\$ 47,795,697	\$ (16,023,163)	\$ 33,166,067	\$ 31,563,680	\$ (1,602,387)
Charges for Services	-	70	70	-	-	-
Intergovernmental	-	124	124	-	-	-
Interest	2,500,000	2,256,246	(243,754)	1,420,000	1,421,561	1,561
Miscellaneous	292,000	626,987	334,987	-	-	-
Operating Transfers In	-	600,000	600,000	1,479,136	2,095,415	616,279
Total Revenues and Other Financing Sources	<u>66,610,860</u>	<u>51,279,124</u>	<u>(15,331,736)</u>	<u>36,065,203</u>	<u>35,080,656</u>	<u>(984,547)</u>
Expenditures and Other Financing Uses:						
Current Operating and Capital Outlay:						
Flood Control	108,187,255	42,934,050	65,253,205	-	-	-
Tax Administration	950,000	738,144	211,856	-	-	-
Debt Service	-	-	-	37,392,606	37,392,606	-
Operating Transfers Out	-	-	-	-	315,147	(315,147)
Total Expenditures and Other Financing Uses	<u>109,137,255</u>	<u>43,672,194</u>	<u>65,465,061</u>	<u>37,392,606</u>	<u>37,707,753</u>	<u>(315,147)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>\$ (42,526,395)</u>	<u>\$ 7,606,930</u>	<u>\$ 50,133,325</u>	<u>\$ (1,327,403)</u>	<u>\$ (2,627,097)</u>	<u>\$ (1,299,694)</u>

See notes to the financial statements.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2002**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Harris County Flood Control District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting and reporting policies are described in the following notes.

A. REPORTING ENTITY

These financial statements include all of the operations and activities of the District legal entity, which is a component unit of the reporting entity of Harris County, Texas (the "County"). Financial statements of the District are included as a blended component unit in the County financial statements.

Commissioners Court, as the elected governing body of the County, is also the statutory governing body of the District. All activities for which the District is financially accountable have been incorporated to form the reporting entity. This report includes the financial statements of the funds and account groups required to account for activities, organizations and functions of the District. The criteria for including activities in the District's financial statements are in conformity with GASB Statement No. 14, *The Reporting Entity*.

B. BASIS OF PRESENTATION

The accounts of the District are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following fund types and account groups are used by the District:

GOVERNMENTAL FUNDS

Operations and Maintenance (General) Fund - used to account for all revenues and expenditures, not accounted for in other funds, relating to general operations.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2002

Debt Service Funds - used to account for payment of principal and interest on the District's property tax bonds which are recorded in the General Long-Term Debt Account Group.

Capital Projects Funds - used to account for capital improvements and acquisitions which are financed from the District's general obligation bonds, ad valorem taxes and other revenue services.

ACCOUNT GROUPS

General Fixed Assets Account Group - used to account for tangible general government assets having a useful life longer than a year and having a monetary value large enough to warrant maintaining related custodial records.

General Long-Term Debt Account Group - used to record and account for the outstanding bonds, certificates of participation, compensatory time payable, and arbitrage rebate payable.

C. **BASIS OF ACCOUNTING**

Basis of accounting refers to the time at which revenues and expenditures are recognized and reported in the financial statements. All Governmental Funds and Agency Funds are accounted for on the modified accrual basis of accounting. The Governmental Funds use a current financial resource measurement focus. Under the modified accrual basis of accounting, certain revenues are recorded when susceptible to accrual; both measurable and available. Available means collectible within the current period or as soon thereafter to be available to pay liabilities of the current period. Revenues estimated to be collectible in future years are recorded as receivables and deferred revenue. All other revenues are recognized when cash is received. Expenditures, if measurable, are generally recognized on the accrual basis of accounting. Exceptions to this general rule include prepaid items and compensated absences which are recognized as expenditures when paid, and principal and interest on long-term debt which are recognized as expenditures when due.

In fiscal year 2002, the District adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which established financial reporting standards to guide state and local governments' decisions about when (in which fiscal year) to report the results of nonexchange transactions (including property taxes, grants, and donations by non-governmental entities) involving cash and other financial and capital resources. The District's policy is that for revenues from nonexchange transactions to be considered available for accrual, the reimbursement of the accrued revenues must be received within 60 days following the end of the fiscal year.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2002

D. BUDGETS

Annual appropriation budgets are adopted for the Flood Control Operations and Maintenance (General) Fund and the Flood Control Debt Service Funds. Commissioners Court appoints the County Budget Officer, who prepares the proposed budget using revenue estimates furnished by the County Auditor. The County adheres to the following timetable for consideration and adoption of the annual budget for the Flood Control Operations and Maintenance (General) Fund and the Debt Service Funds:

- Departmental annual budget requests are submitted by the Department or Agency Head to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin March 1.
- The County Auditor must prepare an estimate of available resources for the upcoming fiscal year. Available resources include the unrestricted cash and investment balance at the beginning of the fiscal year plus estimated revenues for the upcoming fiscal year.
- The County Budget Officer prepares the proposed annual operating budget to be presented to Commissioners Court for their consideration. The budget represents the financial plan for the new fiscal year and includes estimated available financial resources and proposed expenditures.
- Public hearings are held on the proposed budget.
- Commissioners Court must adopt an annual operating budget by a majority vote of Commissioners Court before April 1. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- The department is the legal level of budgetary control. Commissioners Court approval is necessary to transfer appropriations between departments. Transfers may not increase the total budget.
- Annual budgets are legally adopted for the General Fund and Debt Service Funds. Budgets for Capital Projects are established on a project basis.
- Transfers cannot exceed the original appropriation level adopted for the fund during the fiscal year.
- Appropriations lapse at year-end.
- Budgets are prepared on a cash basis (budget basis) which differs from a GAAP basis.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2002

A reconciliation of revenues and expenditures on a cash basis (budgetary basis) compared to modified accrual basis (GAAP) is as follows:

	<u>General Fund</u>	<u>Debt Service</u>
Revenues and Other Financing Sources:		
Cash basis (budget basis)	\$ 51,279,124	\$35,080,656
Accrued in 2001 received in 2002	(1,412,168)	(2,150,441)
Accrued in 2002 to be received in 2003	1,695,151	2,161,514
Operating Transfers Reclassification	<u>(600,000)</u>	<u>(2,095,415)</u>
Revenues on modified accrual basis (GAAP basis)	<u>50,962,107</u>	<u>32,996,314</u>
Expenditures and Other Financing Uses:		
Cash basis (budget basis)	43,672,194	37,707,753
Incurred during 2001 paid in 2002	(1,232,227)	-
Incurred during 2002 payable in 2003	2,831,872	-
Operating Transfers Reclassification	<u>-</u>	<u>(315,147)</u>
Expenditures on modified accrual basis (GAAP basis)	<u>45,271,839</u>	<u>37,392,606</u>
Excess (Deficiency) of revenues over (under) expenditures on modified accrual basis (GAAP basis)	<u>\$ 5,690,268</u>	<u>\$ (4,396,292)</u>

E. ENCUMBRANCES

Encumbrances represent commitments for goods and services and are recorded during the year upon execution of purchase orders, contracts, or other appropriate documents. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitment will be honored in the next fiscal year. Such encumbrances are reappropriated in the next budget year.

F. CASH AND INVESTMENTS

Cash and cash equivalents include amounts in demand deposits as well as short-term investments (i.e. with original maturity of 90 days or less). All investments are recorded at fair value, as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, based upon quoted market prices as of February 28, 2002, with the difference between the purchase price and market price being recorded as interest income.

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2002**

G. INTERFUND TRANSACTIONS

During the course of normal operations, the District has many transactions between funds. The accompanying financial statements reflect as operating transfers the expenditures and transfers of resources to provide services, construct assets and meet debt service requirements. Non-recurring transfers of equity between funds are treated as residual equity transfers and are reported as additions or deductions to fund balance.

H. FIXED ASSETS

All fixed assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

The costs of acquiring or constructing fixed assets are recorded as expenditures in the Governmental Funds. Expenditures in excess of \$5,000 are capitalized in the General Fixed Assets Account Group. Public domain fixed assets consisting of improvements other than buildings, roads, bridges, and related rights-of-way also are included in the General Fixed Assets Account Group. No depreciation has been provided or net interest cost capitalized on general fixed assets.

On January 29, 2001 Commissioners Court approved an increase in the District's threshold for capitalization of equipment from \$1,000 to \$5,000 effective March 1, 2001. An entry was made during fiscal year 2002 to write-off \$1,088,982 of equipment from General Fixed Assets Account Group for items valued under the new capitalization amount, which is reflected in the transfers/deductions column in Note 4.

I. COMPENSATED ABSENCES

Accumulated compensatory leave, vacation and sick leave expected to be liquidated with expendable available financial resources is reported as an expenditure in the respective Governmental Fund. Accumulated compensated absences not expected to be liquidated with expendable available resources are reported in the General Long-Term Debt Account Group.

Employees accrue 9.75 days of sick leave per year. Sick leave benefits are recognized as they are used by the employees. Employees may accumulate up to 480 sick leave hours. Unused sick leave benefits are not paid at termination. Employees with more than one year of service accrue from two to four weeks of vacation annually, depending on years of service. Unused vacation benefits lapse at calendar year-end or upon termination, except for exempt employees who may convert such benefits to compensatory time, subject to a 240 hour maximum.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
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February 28, 2002

Non-exempt employees earn compensatory time at one and one-half times their full pay times the excess of 40 hours per week worked. Non-exempt employees can carry forward compensatory time up to 240 hours indefinitely. Upon termination, non-exempt employees will be paid for compensatory time at their wage rate at time of termination. Exempt employees earn compensatory time at their regular rate of pay for hours worked in excess of 40 hours a week. Exempt employees can accumulate up to 240 hours of compensatory time. Upon termination, exempt employees are paid one-half of the compensatory time earned at the wage rate at time of termination.

As of February 28, 2002, \$652,371 and \$291,534 has been recorded in the Governmental Funds and General Long-Term Debt Account Group, respectively, for future compensated absences.

J. TOTAL COLUMNS ON COMBINED STATEMENTS (MEMORANDUM ONLY)

Total columns on the combined statements are captioned "*Memorandum Only*" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation since interfund eliminations have not been made in the aggregation of this data.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

State statutes authorize the District to invest in fully collateralized or insured time deposits, direct debt securities of the United States or its Agencies, investment grade commercial paper, money market mutual funds and fully collateralized repurchase agreements. District policy requires repurchase agreements be purchased under a master repurchase agreement which specifies the rights and obligations of both parties and requires that the securities involved in the transaction be held in a safekeeping account subject to the control and custody of the District. The margin requirement for all repurchase agreements is that market value must be at least 101% of the purchase price. Investments in repurchase agreements may be made only

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through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in the State of Texas with which the District has signed a master repurchase agreement.

Deposits:

As of February 28, 2002, the carrying amount of the District's demand and time deposits was \$0. All cash in bank accounts was swept to money market mutual funds at February 28, 2002.

Investment Policies:

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in investments that protect principal, are consistent with the operating requirements of the District, and yield the highest possible rate of return. The District's written investment policy specifically excludes investments in mortgaged-backed securities and bankers' acceptances.

In practice, the District's investments are limited to obligations of the United States or its instrumentalities, Federal agencies, fully collateralized repurchase agreements, commercial paper, municipal obligations rated AA or higher, and money market mutual funds. Under Texas law, District investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

Investments:

As of February 28, 2002 the District's investible funds were \$157,736,018. The following percentages of the District's investible funds were invested in the following categories of investments, the average remaining maturity of such investments was 220 days.

Distribution of District Investible Funds

U.S. Government Securities	57%
Money Market Mutual Funds	22%
Commercial Paper	11%
Municipal Securities	10%

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The District's investments are categorized below to give an indication of the level of risk, with Category 1 being the lowest level of risk to Category 3 being the highest level of risk. Investments are included in the credit risk categories as follows:

- Category 1: Insured or registered, or for which the securities are held by the District or its agent in the District's name.
- Category 2: Uninsured and unregistered, for which the securities are held by the District's counterparty's trust department or agent in the District's name.
- Category 3: Uninsured and unregistered, for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name.

Shown below are the District's investments by risk category as of February 28, 2002.

	<u>Categories</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>
U. S. Government Securities	\$ 90,401,845	\$ -	\$ -	\$ 90,401,845
Commercial Paper	18,137,640	-	-	18,137,640
Municipal Securities	15,073,826	-	-	15,073,826
Subtotal	<u>\$123,613,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$123,613,311</u>
Money Market Mutual Funds				<u>34,122,707</u>
TOTAL INVESTMENTS				<u>\$157,736,018</u>

3. PROPERTY TAXES

Property taxes for the District are levied each October 1 on the assessed value as of the preceding January 1 for all taxable real and personal property. On January 1, at the time of assessment, an enforceable lien is attached to the property for property taxes. Appraised values are determined by the Harris County Appraisal District (the "Appraisal District") equal to 100% of the appraised market value as required by the State Property Tax Code. Real property must be appraised at least every four years. Taxpayers and taxing units may challenge appraisals of the Appraisal District through various appeals and, if necessary, legal action.

The County is responsible for setting the tax rate for Harris County, the District, Harris County Hospital District and Port of Houston Authority - Debt Tax Rate, only.

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The District is permitted by law to levy a tax rate up to \$.30 per \$100 of taxable valuation. There is no limitation on the tax rate which may be set for debt service within the \$.30/\$100 valuation. The tax rate for maintenance is limited to the rate as may from time to time be approved by the voters of the District. The maximum tax rate for maintenance is \$.15 per \$100 of taxable valuation. The County adopted the following tax rates on behalf of the District for the 2001 tax year, per \$100 of taxable valuation:

	Operations and Maintenance (General)	Debt Service	Total
Flood Control District	\$0.02853	\$0.01905	\$0.04758

Property tax receivables of \$6,723,553 as of February 28, 2002 are reported net of an allowance for uncollectible taxes of \$17,210,209.

4. GENERAL FIXED ASSETS

General fixed assets transactions are summarized as follows:

	Balance March 1, 2001	Transfers/ Additions	Transfers/ Deductions	Balance February 28, 2002
Land	\$ 26,825,793	\$ 46,225,364	\$ (95,151)	\$ 72,956,006
Buildings	5,059,730	-	-	5,059,730
Improvements Other Than Buildings	1,200,668	-	-	1,200,668
Equipment	9,402,292	883,097	(2,235,925)	8,049,464
Construction Work in Progress	10,502,041	16,785,644	(2,722,954)	24,564,731
Flood Control Projects	<u>893,126,218</u>	<u>2,722,954</u>	<u>-</u>	<u>895,849,172</u>
TOTAL	<u>\$946,116,742</u>	<u>\$66,617,059</u>	<u>\$(5,054,030)</u>	<u>\$1,007,679,771</u>

5. GENERAL LONG-TERM DEBT

A. OVERVIEW - SUMMARY OF LONG-TERM DEBT

Bonded debt of the District consists of various issues of General Obligation Bonds, which are direct obligations of the District with the District's full faith and credit pledged towards the payment of these obligations. Debt service on these bonds is paid from the receipts of a separate limited ad valorem tax.

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BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS - CHANGES IN FY 2002

The following is a summary of the general long-term debt transactions:

	Balance March 1, <u>2001</u>	<u>Increase</u>	<u>Decrease</u>	Balance February 28, <u>2002</u>
Total Bonds Payable - Principal	\$129,238,911	\$ -	\$20,244,282	\$108,994,629
Amortized Premium, Series 1991	1,806,386	-	1,195,143	611,243
Unamortized Premium, Series 1993	6,579,774	-	363,340	6,216,434
Accretion of Discount-Compound Interest				
Bonds, Series 1991	60,568,143	5,969,481	-	66,537,624
Bonds, Series 1993	<u>6,963,771</u>	<u>1,443,862</u>	<u>-</u>	<u>8,407,633</u>
Total Bonds Payable	205,156,985	7,413,343	21,802,765	190,767,563
Commercial Paper Payable	-	38,084,000	-	38,084,000
Compensatory Time Payable	<u>248,146</u>	<u>43,388</u>	<u>-</u>	<u>291,534</u>
Total Bonded Debt and Other Long-Term Obligations	<u>\$205,405,131</u>	<u>\$45,540,731</u>	<u>\$21,802,765</u>	<u>\$229,143,097</u>

B. OUTSTANDING BONDED DEBT - FEBRUARY 28, 2002

	Interest <u>Rates(%)</u>	Date Series <u>Issued</u>	<u>Matures</u>	Balance February 28, <u>2002</u>
Refunding Series 1991	(a)	1991	2006	32,949,644
Series 1992A	5.13 - 6.50	1992	2013	10,520,000
Series 1992B	5.00 - 6.75	1992	2014	7,890,000
Refunding Series 1993	(b)	1993	2015	<u>57,634,985</u>
TOTAL				<u>\$108,994,629</u>

- a) Includes Compound Interest Bonds @ 6.10-6.30% to mature 2002. Includes Current Interest Bonds @ 5.25-6.25% to mature 2002-2006. Includes Adjustable Sinking Fund Bonds @ 6.20-6.50% to mature 2002.
- b) Includes Compound Interest Bonds @ 5.40-5.60% to mature 2007-2011. Includes Current Interest Bonds @ 4.50-5.60% to mature 2002-2015.

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D. DEBT SERVICE REQUIREMENTS

The debt service requirements to maturity for the bonds are summarized as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2003	16,904,644	18,735,959	35,640,603
2004	19,975,000	3,973,003	23,948,003
2005	18,250,000	3,262,793	21,512,793
2006	14,685,000	2,368,143	17,053,143
2007	12,460,000	1,651,073	14,111,073
2008-2012	15,944,985	27,529,890	43,474,875
2013-2017	<u>10,775,000</u>	<u>1,203,275</u>	<u>11,978,275</u>
TOTAL	<u>\$108,994,629</u>	<u>\$58,724,136</u>	<u>\$167,718,765</u>

E. UNISSUED AUTHORIZED BONDS

As of February 28, 2002, the District has voter authorization to issue \$95,000,000 of additional property tax bonds.

F. DEFEASANCE OF DEBT

The District has defeased certain property tax bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of February 28, 2002, the outstanding principal balance of these defeased Flood Control property tax bonds was \$14,465,000.

G. COMMERCIAL PAPER

On August 21, 2001, Commissioners Court authorized and took action to issue \$200,000,000 in commercial paper notes designated as the Harris County Flood Control District Contract Tax Commercial Paper Notes, Series F ("Series F Notes"). The purpose of Series F Notes is to provide funding for projects identified in an agreement between the County and the District ("Flood Contract") as well as to refinance, refund, and renew the notes themselves and fund issuance costs. The estimated cost of projects anticipated under the Flood Contract is \$718,830,000.

The terms of the Series F Notes require the notes to be issued with a maturity of 270 days or less and allow for interest up to the maximum rate allowable under Chapter 1204 of the Texas Government Code, currently 15%. The notes will be dated as of the date of issuance with a maximum maturity date of September 1, 2031. Payment of the principal and interest on the Series F Notes and all expenditures associated with the issuing and paying agent, the

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dealer and the credit provider is secured by a pledge and lien on the payments to be received by the District from the County under the Flood Contract. Under the Flood Contract, the District pays all costs relating to the County flood control projects and issues notes to provide the funding for such projects.

The County's commitment under the Flood Contract is the payment to the District of amounts necessary for the principal and/or interest coming due; the fees and expenditures of the issuing and paying agent, the dealer, and the credit provider; amounts related to any special or contingency funds or accounts for the notes; and any amounts to restore deficiencies in such funds or accounts. The County's payment obligation is secured by a levy and pledge of the County's ad valorem taxes which extends until all obligations under the Series F Notes, including any obligations to refund the notes, are no longer outstanding.

During the term of the Flood Contract, the County is required to levy taxes computed at a tax rate sufficient to provide the funds required to make the annual payments and to provide and maintain a sinking fund adequate for such amounts as they become due. Commissioners Court issued an order whereby the sinking fund may never be less than 2% of the County's outstanding indebtedness under the Flood Contract at the time of the tax levy. In setting the tax rate, the County may consider all sources of funding lawfully available or that are to be available including the credit agreement entered into for the Series F Notes, discussed below. Because of the timing of adoption of tax rates, the County has not yet been required to set a tax rate as of February 28, 2002. However, the County has allocated other available funds sufficient to pay the annual amounts due under the Flood Contract prior to the required first adoption of the tax rate. Based on the County's outstanding indebtedness under the Flood Contract as of February 28, 2002, this amount required under the 2% limitation is estimated to be \$761,680.

Under a dealer agreement between the District and Morgan Stanley & Co. Incorporated, the Series F Notes are issued in denominations of a minimum of \$100,000 and integral multiples of \$1,000 thereafter and may bear interest or sold at a discount. The dealer agreement does not provide for extension, renewal, or automatic rollover of the notes upon maturity. In consideration for the services of the dealer, the District is obligated to make quarterly payments equaling .05% of the daily outstanding principal amount of issued Series F Notes. The paying agent for the Series F Notes is Bankers Trust Company for which it receives an annual administration fee of \$2,500 and per transaction fees ranging from \$10 to \$40.

The Series F Notes are also secured through an irrevocable, direct-pay, transferable letter of credit between the District and the New York branch of Landesbank Hessen-Thüringen Girozentrale bank. The amount of the letter of credit totals \$214,794,521. This total includes the principal amount of the notes (\$200,000,000) and interest of \$14,794,521 calculated as 270 days at an assumed per annum rate of 10% and a 365-day year. The initial term of the letter of credit expires September 17, 2002 and is subject to extension of

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up to 364 days per request. The letter of credit also provides for the establishment of loans with maturity dates ranging from three to four years depending on the earliest of several anniversary dates. The interest rate on such loans may not exceed the maximum rate allowed by law, currently 15%. The principal portion of the loans is repayable in equal quarterly installments and the interest quarterly. Under the terms of the letter of credit, the District is charged a quarterly fee, based on the daily average amount of the outstanding draws against the letter of credit, ranging from .12% to .16%. This fee is dependent on the County's parity debt rating at the time. In addition, there are fixed transactional fees ranging from \$12 to \$1,000.

Assuming that as of February 28, 2002, loans existed for the full \$38,084,000 principal outstanding on Series F Notes, the following table is representative of the debt service requirements based on the maximum interest rate allowed (15%) over the next four years:

Fiscal Year	Principal	Interest	Total
2003	\$ 3,462,182	\$ 2,162,060	\$ 5,624,242
2004	13,848,727	4,475,591	18,324,318
2005	13,848,727	2,369,431	16,218,158
2006	<u>6,924,364</u>	<u>394,905</u>	<u>7,319,269</u>
Total	<u>\$ 38,084,000</u>	<u>\$ 9,401,987</u>	<u>\$ 47,485,987</u>

6. RETIREMENT PLAN

Plan Description

The District, a component unit of Harris County, provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 502 non-traditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The CAFR is available upon written request from the TCRDS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Under the state law governing TCDRS since 1991, the District has had the option of selecting the plan of benefits to provide in the future, while at the same time considering the level of the employer contribution rate required to adequately finance the plan. Effective January 1, 1995,

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the District adopted an annually determined contribution rate plan, for which the employer contribution rate is actuarially determined as a part of the annual actuarial valuation. The rate, applicable for a calendar year, consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan's 25-year amortization period which began January 1, 1995 using the entry age actuarial cost method. Monthly contributions by the District are based on the covered payroll and the employer contribution rate in effect. The contribution rate for 2002 is 9.86%. The contribution rates for 2001 and 2000 were 9.95 % and 10.07% respectively.

The plan provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS ("TCDRS Act"). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after eight years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest and employer-financed monetary credits. The level of these monetary credits is adopted by Commissioners Court, within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The District has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The District contributed using actuarially determined rate of 9.95% for the months of the accounting year in 2001, and 9.86% for the months of the accounting year in 2002.

The contribution rate payable by the employee members for 2001 and 2002 is the rate of 7% as adopted by Commissioners Court. The employee contribution rate and the employer contribution rate may be changed by Commissioners Court, within the options available in the TCDRS Act.

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Annual Pension Cost

For the County's accounting year ending February 28, 2002, the annual pension cost for the TCDRS plan for its employees, including the District, was \$48,448,052, and the actual contributions were \$48,448,052.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employees*, parameters based on the actuarial valuations as of December 31, 2000 and December 31, 2001, which were the basis for determining the contribution rates for calendar years 2001 and 2002. The December 31, 2001 actuarial valuation is the most recent valuation.

Actuarial Valuation Method			
Actuarial Valuation Date	12/31/99	12/31/00	12/31/01
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period in years	20	20	20
Asset Valuation Method	Long-term appreciation with adjustments	Long-term appreciation with adjustments	Long-term appreciation with adjustments
Actuarial Assumption			
Investment return (1)	8.0 %	8.0 %	8.0 %
Projected Salary Increases (1)	5.9 %	5.9 %	5.5 %
Inflation	4.0 %	4.0 %	3.5 %
Cost of Living Adjustments	0.0%	0.0%	0.0%
(1) Includes inflation at the stated rate.			

Trend Information			
Accounting Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
2/28/02	\$ 48,448,052	100%	-
2/28/01	\$ 47,979,693	100%	-
2/29/00	\$ 42,746,939	100%	-

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Schedule of Funding			
Actuarial Valuation Date	12/31/99	12/31/00	12/31/01
Actuarial Value of Assets	\$1,151,075,284	\$1,265,141,379	\$1,380,976,806
Actuarial Accrued Liability (AAL)	\$1,324,342,278	\$1,441,046,300	\$1,578,523,738
Unfunded Actuarial Accrued Liability (UAAL)	\$ 173,266,994	\$ 175,904,921	\$ 197,546,932
Funded Ratio	86.92%	87.79%	87.49%
Annual Covered Payroll (Actuarial)	\$ 458,448,718	\$ 488,879,345	\$ 509,600,340
UAAL as Percentage of Covered Payroll	37.79%	35.98%	38.77%

7. POST EMPLOYMENT BENEFITS

In addition to providing pension benefits described herein, the District provides certain retirement health care and life insurance benefits for retired employees. In accordance with the Personnel Regulations adopted by Commissioners Court, all District employees may become eligible for these benefits after meeting the service and retirement age requirements of the District's retirement plan. These requirements, which were modified effective January 1, 1996, require 30 years of service, or 8 years of service and 60 years of age, or years of service plus age equal to 75 or more. The District recognizes expenditures for retirement benefits as incurred, which during fiscal year 2002 totaled \$537,473. Presently, 146 retirees qualified for retirement benefits.

8. COMMITMENTS AND CONTINGENT LIABILITIES

The District is involved in lawsuits and other claims in the ordinary course of operations. Although the outcome of such lawsuits and other claims is not presently determinable, the resolution of these matters is not expected to have a material effect on the financial condition of the District.

9. RISK MANAGEMENT

The District's risk-of-loss exposures include exposure to liability and accidental loss of real and personal property as well as human resources. District operations involve a variety of high-risk activities including, but not limited to, construction and maintenance activities. The County's Office of Human Resources & Risk Management is responsible for identifying, evaluating, and managing the District's risk in order to reduce the exposure from liability and accidental loss of property and human resources. The District is treated as a County department by the County's Risk Management Office and is assessed premiums and charges similar to other County departments.

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The District is covered by the Harris County workers' compensation program. The County is self-insured for workers' compensation medical, indemnity, and other related payments. Claims adjusting services are provided by a third-party administrative claims adjusting service. Interfund premiums on workers' compensation are determined by position class code, at actuarially determined rates.

The County has reinsurance coverage for excess workers' compensation and employer's liability. The retention (deductible) for the fiscal year ended February 28, 2002 is \$750,000 per occurrence. During the last three fiscal years, three claims incurred exceeded the insurance coverage for the County. Through the County, the District provides medical, dental, vision, and basic life and disability insurance to eligible employees and retirees. The District pays the full cost of employee and retiree coverage and 50% of the cost of dependant premiums. Disability insurance will pay up to 50% of an employee's salary for two years with an employee option to extend the benefits period to age 65 and increase the percentage to 60%.

The District's group insurance premiums, as well as employee payroll deductions for premiums for dependents and optional coverages, are paid into the County's Health Insurance Internal Service Fund, which in turn makes disbursements to contracted insurance providers based upon monthly enrollment and premium calculations.

Billings to the District for property insurance, professional liability insurance, and crime and fidelity policies are handled through the County's Risk Management Fund, as are payments to the insurance carriers. Claim payments made up to the deductible limit are expensed by the District when paid by the Risk Management Fund. Payments for the District's general, vehicle, and property damage liability claims, for which the County is self-insured, are made through the Risk Management Fund and billed to the District.

10. TROPICAL STORM ALLISON

In June 2001, Harris County and surrounding areas experienced significant flooding as a result of Tropical Storm Allison. The federal government issued a major disaster declaration for Harris County and 27 surrounding counties. The District's costs to date for debris removal, emergency services related to the disaster, and repairing and replacing damaged District facilities are not material. Due to the expected recovery of costs by the District through federal fund reimbursement and flood insurance, the damage caused by Tropical Storm Allison will not have a material effect on the financial condition of the District.

11. SUBSEQUENT EVENT

On May 22, 2002 the District issued \$44,495,000 Refunding Bonds, Series 2002. The bonds are being issued for the purpose of refunding a portion of the District's Series 1991 Refunding

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Bonds and all of Series 1992A and Series 1992B Bonds, and to pay certain costs incurred in connection with the issuance of the refunding bonds. The annual interest rates range from 3.0% to 5.5%.

**12. RECENT ACCOUNTING PRONOUNCEMENT – GASB STATEMENT NO. 34,
“BASIC FINANCIAL STATEMENTS – AND MANAGEMENT’S DISCUSSION AND
ANALYSIS – FOR STATE AND LOCAL GOVERNMENTS” (“GASB NO. 34”)**

In fiscal year 2003, the District will adopt a new statement of financial accounting standards issued by the GASB. Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, will represent a significant change in the financial reporting model used by state and local governments.

Among the numerous issues to be addressed by the District regarding the implementation of GASB No. 34 is the valuation, subsequent recording, and depreciation of the District's infrastructure fixed assets. Such assets have previously not been required to be recorded under accounting principles generally accepted in the United States of America.

The District is in the process of evaluating the impact that will result from the adoption of GASB No. 34 and no conclusions can be made at this point as to the impact on the District's financial statements. The District intends to implement GASB No. 34 for the financial reporting period ending February 28, 2003 as required.

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SCHEDULE OF SERVICES AND RATES
For Fiscal Year Ended February 28, 2002
Schedule 1
(Unaudited)

1. Services Provided by the District:

- | | | |
|--|---|-------------------------------------|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input checked="" type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
- ☒ Participates in joint venture, regional system and/or wastewater service (other than emergency Interconnect)
- ☐ Other (specify): _____

2. Retail Rates Based on 5/8" Meter

☒ Retail Rates Not Applicable

Most prevalent type of meter (if not a 5/8"):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER: N/A	\$ _____	_____	_____	\$ _____	_____ to _____
WASTEWATER: N/A	\$ _____	_____	_____	\$ _____	_____ to _____
SURCHARGE: N/A	\$ _____	_____	_____	\$ _____	_____ to _____

District employs winter averaging for wastewater usage? Yes ☐ No ☐

Total water and wastewater charges per 10,000 gallons usage (including surcharges). \$ _____

3. Retail Service Providers: Number of retail water and/or wastewater connections within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

	Active Connections	Active ESFC	Inactive Connections (ESFC)
Single Family	_____	_____	_____
Multi-Family	_____	_____	_____
Commercial	_____	_____	_____
Other – recreational centers, government & VFD	_____	_____	_____
TOTAL	N/A	N/A	N/A

(Continued)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF SERVICES AND RATES
For Fiscal Year Ended February 28, 2002
Schedule 1
(Unaudited)**

4. Total Water Consumption (In Thousands) During The Fiscal Year:

Gallons pumped into system: N/A

Gallons billed to customers: N/A

5. Standby Fees: Does the District assess standby fees? Yes ☐ No ☒.

For the most recent full fiscal year, FYE _____, :

Debt Service:	Total levy	\$	_____
	Total Collected	\$	_____
	Percentage Collected		_____ %

Operation & Maintenance:	Total levy	\$	_____
	Total Collected	\$	_____
	Percentage Collected		_____ %

Have standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property? Yes ☐ No ☐.

6. Anticipated sources of funds to be used for debt service payments in the District's following fiscal year - FY 2002-2003:

	<u>Amount</u>
a. Debt Service Tax Receipts	\$ 22,496,952
b. Surplus Construction Funds	-
c. Water and/or Wastewater Revenue	-
d. Standby Fees	-
e. Debt Service Fund Balance To Be Used	209,010
f. Interest Revenues	2,109,481
g. Other – Proceeds From Commercial Paper Issued	9,780,796
<hr/>	
TOTAL ANTICIPATED FUNDS TO BE USED*	\$ 34,596,239

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF SERVICES AND RATES
For Fiscal Year Ended February 28, 2002
Schedule 1
(Unaudited)

7. **Location of District:**

County in which district is located. Harris County

Is the District located entirely within one county? Yes ☒ No ☐.

Is the District located within a city? Entirely ☐ Partly ☒ Not at all ☐.

Cities in which district is located. Houston & all other cities in Harris County

Is the District located within a city's extra territorial jurisdiction (ETJ)?

<u>City</u>	<u>Entirely</u>	<u>Partly</u>	<u>Not at all</u>
Baytown		X	
Bellaire		X	
Bunker Hill Village		X	
Deer Park		X	
El Lago		X	
Friendswood		X	
Galena Park		X	
Hedwig Village		X	
Houston		X	
Humble		X	
Jacinto City		X	
Jersey Village		X	
Katy		X	
LaPorte		X	
League City		X	
Mission Bend		X	
Missouri City		X	
Morgan's Point		X	
Nassau Bay		X	
Pasadena		X	
Pearland		X	
Seabrook		X	
Shore Acres		X	
South Houston		X	
Southside Place		X	
Spring Valley		X	
Stafford		X	
Taylor Lake Village		X	
Tomball		X	
Waller		X	
Webster		X	
West University Place		X	

Is the general membership of the Board appointed by an office outside the district?
Yes ☐ No ☒

By whom? Board, governed by Harris County Commissioner's Court.

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL FUND EXPENDITURES
For The Year Ended February 28, 2002
Schedule 2
(Unaudited)

Personnel Expenditures (including benefits)	\$ 15,854,674
Professional Fees and Contractual Services	19,321,097
Utilities	421,831
Repairs and Maintenance	7,965,872
Administrative Expenditures	406,487
Other Expenditures	1,301,877
Transfer Out	<u>-</u>
 TOTAL EXPENDITURES & TRANSFER OUT	 <u><u>\$ 45,271,839</u></u>

Number of persons employed by the District: 277 Full-Time 31 Part-Time

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TEMPORARY INVESTMENTS
For The Year Ended February 28, 2002
Schedule 3
(Unaudited)**

No temporary investments outstanding at fiscal year end

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TAXES LEVIED AND RECEIVABLE**

For The Year Ended February 28, 2002

**Schedule 4
(Unaudited)**

	Maintenance Taxes	Debt Service Taxes
Taxes Receivable (including penalty & interest), March 1, 2001	\$ 14,404,884	\$ 13,737,113
2001 Original Tax Levy	46,866,385	31,293,538
(less abatements)	-	-
Total to be accounted for	\$ 61,271,269	\$ 45,030,651
Tax collections:		
Current year - 2001	(44,274,561)	(29,565,289)
Prior years	(5,202,108)	(3,326,200)
Total Collections	\$ (49,476,669)	\$ (32,891,489)
Taxes Receivable (including penalty & interest), February 28, 2002	\$ 11,794,600	\$ 12,139,162

	-----Tax year-----			
	2001	2000	1999	1998
Property Valuations:				
Real Property	\$ 138,032,592,270	\$ 126,497,732,580	\$ 114,051,126,000	\$ 105,180,892,000
Personal Property	29,590,409,420	27,556,371,203	26,918,777,670	25,209,885,147
Total Property Valuations	\$ 167,623,001,690	\$ 154,054,103,783	\$ 140,969,903,670	\$ 130,390,777,147
Tax Rates Per \$100 Valuation:				
Debt service tax rates	\$ 0.02853	\$ 0.04001	\$ 0.03080	\$ 0.03454
Maintenance tax rates	0.01905	0.02172	0.04920	0.04546
Total Tax Rates Per \$100 Valuation	\$ 0.04758	\$ 0.06173	\$ 0.08000	\$ 0.08000
Original Tax Levy:	\$ 79,755,024	\$ 95,097,599	\$ 112,775,923	\$ 104,312,622
Percent of Taxes Collected to Taxes Levied*	94.0%	97.4%	96.2%	95.9%

* Calculated as taxes collected in current and previous years divided by tax levy.

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
For The Year Ended February 28, 2002
Schedule 4
(Unaudited)

TAX RATE FOR ANY OTHER SPECIAL DISTRICT WHICH (A) ENCOMPASSES LESS THAN A COUNTY, (B) PROVIDES WATER, WASTEWATER COLLECTION, DRAINAGE OR ROADS TO PROPERTY IN THE DISTRICT AND TAXES PROPERTY IN THE DISTRICT.

Name of Special District(s)	Service Provided	Tax Rate
-----------------------------	------------------	----------

NOT AVAILABLE

Total Rate(s) of Special District(s)

0

TAX RATES FOR ALL OVERLAPPING JURISDICTIONS. Include any taxing entities which overlap 10% or more of the district.

TAXING JURISDICTION

TAX RATE
(Per \$100 valuation)

a. County - Harris	0.38393
b. Cities (see Attachment A)	0.0000 - 1.0713
c. School Districts (see Attachment A)	0.1700 - 1.9200
d. Community Colleges (see Attachment A)	0.1100-0.1260
e. Special District(s) not included above:	-
f. Total District (from previous page)	0.04758
Total Overlapping tax rate	0.71151 - 3.54881

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
For The Year Ended February 28, 2002
Schedule 4 - Attachment A
(Unaudited)

Entity	Property Tax Rate	As Of
<u>Cities:</u>		
Baytown	0.7370	9/30/2001
Bellaire	0.4900	9/30/2001
Bunker Hill Village	0.3190	1/14/2002
Deer Park	0.7000	9/30/2001
El Lago	0.4047	2/4/2002
Friendswood	0.6385	9/30/2001
Galena Park	1.0713	9/30/2001
Hedwig Village	0.1764	1/1/2002
Houston	0.6650	6/30/2001
Humble	0.1999	9/30/2001
Jacinto City	0.8414	2/28/2002
Jersey Village	0.6750	9/30/2001
Katy	0.6147	9/30/2001
LaPorte	0.7100	9/30/2001
League City	0.6625	9/30/2001
Missouri City	0.5033	7/1/2001
Morgan's Point	0.3200	9/30/2001
Nassau Bay	0.5941	9/30/2001
Pasadena	0.5790	9/30/2001
Pearland	0.6900	9/30/2001
Seabrook	0.6006	9/30/2001
Shore Acres	0.6907	4/2/2002
South Houston	0.6951	9/30/2001
Southside Place	0.2153	1/22/2002
Spring Valley	0.3818	12/31/2001
Stafford	-	9/30/2001
Taylor Lake Village	0.3849	10/1/2001
Tomball	0.3000	9/30/2001
Webster	0.2600	9/30/2001
West University Place	0.4200	12/31/2001
<u>School Districts:</u>		
Aldine I.S.D.	1.5880	2/28/2002
Alief I.S.D.	1.6400	8/31/2001
Channelview I.S.D.	1.6100	8/31/2001
Clear Creek I.S.D.	1.7250	8/31/2001
Crosby I.S.D.	0.1700	8/31/2001
Cypress-Fairbanks I.S.D.	1.7450	2/28/2002
Dayton I.S.D.	1.5700	8/31/2001
Deer Park I.S.D.	1.6898	12/31/2001
Galena Park I.S.D.	1.6835	8/31/2001
Goose Creek I.S.D.	1.7112	8/31/2001
Houston I.S.D.	1.5800	8/31/2001
Huffman I.S.D.	1.7400	8/31/2001
Humble I.S.D.	1.6800	8/31/2001
Katy I.S.D.	1.9200	2/28/2002
Klein I.S.D.	1.7200	1/31/2002
LaPorte I.S.D.	1.6300	8/31/2001
North Forest I.S.D.	1.7444	8/31/2001
Pasadena I.S.D.	1.6649	8/31/2001
Pearland I.S.D.	1.8200	8/31/2001
Sheldon I.S.D.	1.6330	8/31/2001
Spring I.S.D.	1.6900	8/31/2001
Spring Branch I.S.D.	1.8100	8/31/2001
Tomball I.S.D.	1.6500	8/31/2001
Waller I.S.D.	0.2100	1/15/2002
<u>Community Colleges:</u>		
North Harris Montgomery Community College	0.1100	8/31/2001
San Jacinto Junior College	0.1260	8/31/2001

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
For The Year Ended February 28, 2002
Schedule 5
(Unaudited)

	Balances at Beginning of Year <u>March 1, 2001</u>	Additions	Deletions	Balances at End of Year <u>February 28, 2002</u>
PHYSICAL FACILITIES:				
Buildings	\$ 5,059,730	\$ -	\$ -	\$ 5,059,730
Land and Easements	26,825,793	46,225,364	(95,151)	72,956,006
Flood Control Project Improvements	893,126,218	2,722,954	-	895,849,172
Other Improvements	1,200,668	-	-	1,200,668
Equipment	9,402,292	883,097	(2,235,925)	8,049,464
Construction in Progress	10,502,041	16,785,644	(2,722,954)	24,564,731
TOTAL PHYSICAL FACILITIES	<u>\$ 946,116,742</u>	<u>\$ 66,617,059</u>	<u>\$ (5,054,030)</u>	<u>\$ 1,007,679,771</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 946,116,742</u>	<u>\$ 66,617,059</u>	<u>\$ (5,054,030)</u>	<u>\$ 1,007,679,771</u>
AMOUNT PROVIDED BY:				
Capital Projects Fund:	\$ 745,388,199	\$ 64,051,438	\$ (2,815,954)	\$ 806,623,683
General Fund:	200,728,543	2,565,621	(2,238,076)	201,056,088
TOTAL AMOUNT PROVIDED	<u>\$ 946,116,742</u>	<u>\$ 66,617,059</u>	<u>\$ (5,054,030)</u>	<u>\$ 1,007,679,771</u>

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2002

Schedule 6
(Unaudited)

Due During Fiscal Years Ending	Annual Requirements for All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2003	16,904,644	18,735,959	35,640,603
2004	19,975,000	3,973,003	23,948,003
2005	18,250,000	3,262,793	21,512,793
2006	14,685,000	2,368,143	17,053,143
2007	12,460,000	1,651,073	14,111,073
2008	3,975,287	9,447,076	13,422,363
2009	2,928,864	6,900,999	9,829,863
2010	3,502,889	5,609,473	9,112,362
2011	2,968,921	3,740,129	6,709,050
2012	2,569,024	1,832,213	4,401,237
2013	3,615,000	573,875	4,188,875
2014	3,615,000	379,737	3,994,737
2015	2,295,000	185,600	2,480,600
2016	1,250,000	64,063	1,314,063
	<u>\$ 108,994,629</u>	<u>\$ 58,724,136</u>	<u>\$ 167,718,765</u>

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2002

Schedule 6
(Unaudited)

Due During Fiscal Year Ending	Series 1989-B		Total
	Principal Due 05/01	Interest Due 05/01,11/01	
2003	\$ -	\$ -	\$ -

Due During Fiscal Years Ending	Series 1992-A		Total
	Principal Due 10/01	Interest Due 04/01,10/01	
2003	\$ -	\$ -	\$ -

Due During Fiscal Years Ending	Series 1992-B		Total
	Principal Due 10/01	Interest Due 04/01,10/01	
2003	\$ -	\$ -	\$ -

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2002
Schedule 6
(Unaudited)

Due During Fiscal Years Ending	Series 1991		Total
	Principal Due 10/01	Interest Due 04/01,10/01	
2003	5,939,644	15,588,515	21,528,159
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
	<u>\$ 5,939,644</u>	<u>\$ 15,588,515</u>	<u>\$ 21,528,159</u>

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2002

Schedule 6
(Unaudited)

Due During Fiscal Years Ending	Series 1993		Total
	Principal Due 10/01	Interest Due 04/01, 10/01	
2003	6,965,000	2,459,872	9,424,872
2004	6,935,000	2,146,448	9,081,448
2005	5,950,000	1,827,437	7,777,437
2006	8,590,000	1,547,788	10,137,788
2007	11,470,000	1,135,467	12,605,467
2008	3,975,287	8,963,151	12,938,438
2009	2,928,864	6,417,074	9,345,938
2010	2,417,889	5,125,548	7,543,437
2011	1,893,921	3,310,454	5,204,375
2012	1,509,024	1,456,289	2,965,313
2013	1,250,000	256,250	1,506,250
2014	1,250,000	192,187	1,442,187
2015	1,250,000	128,125	1,378,125
2016	1,250,000	64,063	1,314,063
	<u>\$ 57,634,985</u>	<u>\$ 35,030,153</u>	<u>\$ 92,665,138</u>

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2002
Schedule 6
(Unaudited)

Due During Fiscal Years Ending	Series 2002		Total
	Principal Due 10/01	Interest Due 04/01, 10/01	
2003	4,000,000	687,572	4,687,572
2004	13,040,000	1,826,555	14,866,555
2005	12,300,000	1,435,356	13,735,356
2006	6,095,000	820,355	6,915,355
2007	990,000	515,606	1,505,606
2008	-	483,925	483,925
2009	-	483,925	483,925
2010	1,085,000	483,925	1,568,925
2011	1,075,000	429,675	1,504,675
2012	1,060,000	375,925	1,435,925
2013	2,365,000	317,624	2,682,624
2014	2,365,000	187,550	2,552,550
2015	1,045,000	57,475	1,102,475
2016	-	-	-
	<u>\$ 45,420,000</u>	<u>\$ 8,105,468</u>	<u>\$ 53,525,468</u>

(Concluded)

**HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF COMMERCIAL PAPER DEBT SERVICE REQUIREMENTS - BY YEAR
For The Year Ended February 28, 2002**

**Schedule 7
(Unaudited)**

Commercial Paper Series F			
<u>Due During Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	3,462,182	2,162,060	5,624,242
2004	13,848,727	4,475,591	18,324,318
2005	13,848,727	2,369,431	16,218,158
2006	<u>6,924,364</u>	<u>394,905</u>	<u>7,319,269</u>
TOTAL	<u>\$ 38,084,000</u>	<u>\$ 9,401,987</u>	<u>\$ 47,485,987</u>

(Concluded)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
For The Year Ended February 28, 2002
Schedule 8
(Unaudited)

	Bond Issues					
	Series 1989 B	Series 1991	Series 1992-A	Series 1992-B	Series 1993	Total
Interest Rate	6.75 - 8.00	6.10 - 6.50	5.13 - 6.50	5.00 - 6.75	4.50 - 5.60	
Dates Interest Payable	05/01;11/01	04/01;10/01	04/01;10/01	04/01;10/01	04/01;10/01	
Maturity Dates	5/1/2001	10/1/2006	10/1/2013	10/1/2014	10/1/2015	
Bonds Outstanding at March 1, 2001	\$ 1,000,000	\$ 40,663,926	\$ 11,835,000	\$ 9,205,000	\$ 66,534,985	\$ 129,238,911
Bonds Sold During the Current Year: 2001-2002	-	-	-	-	-	-
Retirements During the Current Year: 2001-2002	1,000,000	7,714,282	1,315,000	1,315,000	8,900,000	20,244,282
Bonds Outstanding at February 28, 2002	<u>\$ -</u>	<u>\$ 32,949,644</u>	<u>\$ 10,520,000</u>	<u>\$ 7,890,000</u>	<u>\$ 57,634,985</u>	<u>\$ 108,994,629</u>
Interest Paid During the Current Year - 2001-2002	<u>\$ 33,750</u>	<u>\$ 12,957,351</u>	<u>\$ 669,664</u>	<u>\$ 529,287</u>	<u>\$ 2,958,272</u>	<u>\$ 17,148,324</u>

Paying Agent's	Name	City
Series 1989-B	Chase Manhattan Bank	New York, New York
Series 1991	Chase Manhattan Bank	New York, New York
Series 1992-A	Chase Manhattan Bank	New York, New York
Series 1992-B	Chase Manhattan Bank	New York, New York
Series 1993	Chase Manhattan Bank	New York, New York

Bond Authorization:	Tax Bonds
Amount Authorized By Voters	\$ 250,000,000
Amount Issued	<u>155,000,000</u>
Remaining To Be Issued	<u>\$ 95,000,000</u>

Debt Service Fund Cash and Investments balances as of February 28, 2002:	<u>\$ 33,938,141</u>
Average Annual Debt Service Payment (Principal & Interest) for remaining term of all debt:	<u>\$ 11,913,840</u>

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
COMPARATIVE SCHEDULE OF REVENUE AND EXPENDITURES-GENERAL FUND AND DEBT SERVICE FUNDS
For The Year Ended February 28, 2002
Schedule 9
(Unaudited)

	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998
General Fund:										
Revenues:										
Taxes	\$ 48,240,512	\$ 59,924,526	\$ 67,864,044	\$ 58,587,514	\$ 32,661,282	94.7%	93.2%	96.0%	96.0%	95.5%
Charges for services	261,309	255,419	221,380	-	-	0.5%	0.4%	0.3%	0.0%	0.0%
Intergovernmental	124	403,777	-	37,293	-	0.0%	0.6%	0.0%	0.1%	0.0%
Interest	2,027,238	3,124,596	2,117,955	1,522,575	966,078	4.0%	4.9%	3.0%	2.5%	2.8%
Miscellaneous	432,924	587,726	491,526	877,948	574,427	0.8%	0.9%	0.7%	1.4%	1.7%
Total Revenues	<u>\$ 50,962,107</u>	<u>\$ 64,296,044</u>	<u>\$ 70,694,905</u>	<u>\$ 61,025,330</u>	<u>\$ 34,201,787</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Expenditures:										
Current Operating:										
Flood Control	\$ 44,533,695	\$ 43,459,875	\$ 36,201,146	\$ 34,493,857	\$ 28,064,716	87.4%	67.6%	51.2%	56.5%	82.1%
Tax Administration	738,144	875,413	875,052	800,000	718,375	1.4%	1.4%	1.2%	1.3%	2.1%
Total Expenditures	<u>\$ 45,271,839</u>	<u>\$ 44,335,288</u>	<u>\$ 37,076,198</u>	<u>\$ 35,293,857</u>	<u>\$ 28,783,091</u>	<u>88.8%</u>	<u>69.0%</u>	<u>52.4%</u>	<u>57.8%</u>	<u>84.2%</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,690,268</u>	<u>\$ 19,960,756</u>	<u>\$ 33,618,707</u>	<u>\$ 25,731,473</u>	<u>\$ 5,418,696</u>	<u>11.2%</u>	<u>31.0%</u>	<u>47.6%</u>	<u>42.2%</u>	<u>15.8%</u>
Debt Service Fund:										
Revenues:										
Taxes	\$ 31,947,788	\$ 33,224,416	\$ 43,074,495	\$ 44,841,381	\$ 45,106,228	96.8%	93.6%	96.5%	96.8%	97.2%
Interest	1,048,526	2,253,466	1,554,519	1,483,332	1,302,777	3.2%	6.4%	3.5%	3.2%	2.8%
Total Revenues	<u>\$ 32,996,314</u>	<u>\$ 35,477,882</u>	<u>\$ 44,629,014</u>	<u>\$ 46,324,713</u>	<u>\$ 46,409,005</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Expenditures:										
Debt Service										
Principal Retirement	\$ 20,244,282	\$ 22,170,242	\$ 22,552,524	\$ 31,849,968	\$ 30,500,000	61.4%	62.5%	50.5%	68.8%	65.7%
Interest and Fiscal Charges	17,148,324	22,411,765	23,177,419	13,179,884	10,398,136	52.0%	63.2%	51.9%	28.5%	22.4%
Total Expenditures	<u>\$ 37,392,606</u>	<u>\$ 44,582,007</u>	<u>\$ 45,729,943</u>	<u>\$ 45,029,852</u>	<u>\$ 40,898,136</u>	<u>113.4%</u>	<u>125.7%</u>	<u>102.4%</u>	<u>97.3%</u>	<u>88.1%</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,396,292)</u>	<u>\$ (9,104,125)</u>	<u>\$ (1,100,929)</u>	<u>\$ 1,294,861</u>	<u>\$ 5,510,869</u>	<u>-13.4%</u>	<u>-25.7%</u>	<u>-2.4%</u>	<u>2.7%</u>	<u>11.9%</u>

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended February 28, 2002
Schedule 10
(Unaudited)

Type of Coverage	Amount of Coverage	Name	Type of Corporation Stock/Mutual	Policy Clause: Co-Insurance
Crime: (\$5,000 deductible)	None - effective 2/28/2002			
Employee Dishonesty	\$3,000,000	Zurich Ins. Co.	Stock	No
Forgery/Alteration	\$3,000,000	Zurich Ins. Co.	Stock	No
Theft/Disappearance	\$3,000,000	Zurich Ins. Co.	Stock	No
Robbery/Safe Burglary	\$3,000,000	Zurich Ins. Co.	Stock	No
Computer Fraud	\$3,000,000	Zurich Ins. Co.	Stock	No
Counterfeit Currency	\$3,000,000	Zurich Ins. Co.	Stock	No
Credit Card Forgery	\$3,000,000	Zurich Ins. Co.	Stock	No
Liability (General): -0- deduct	Self insured; Section 101.021-Texas Civil Practice & Remedies Code			
Property (per occurrence)	\$100,000			
Injury (per person)	\$100,000			
Injury (per occurrence)	\$300,000			
Liability (Auto): -0- deductible	Self insured; Section 101.021-Texas Civil Practice & Remedies Code			
Property (per occurrence)	\$100,000			
Injury (per person)	\$100,000			
Injury (per occurrence)	\$300,000			
Property: (\$75,000 deductible)	Blanket catastrophic policy for District			
	In excess of	Coregis Ins. Co.	Stock	No
	\$1 billion			

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
For The Year Ended February 28, 2002
Schedule 11
(Unaudited)

Complete District Mailing Address: HCFCD 9900 NW Fwy Houston, Tx 77092

District Business Telephone Number: (713) 684-4000

<u>Names and Addresses:</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees Feb 28, 2002</u>	<u>Expense Reimbursements Feb 28, 2002</u>	<u>Title at Year End</u>	<u>Resident of District</u>
Commissioners' Court acts as Board of Director for District					
Judge Robert Eckels 1001 Preston, Suite 911 Houston Texas 77002	(Elected) 01/99 - 12/02	N/A	N/A	County Judge	Yes
El Franco Lee 1001 Preston, 9th Fl Houston Texas 77002	(Elected) 01/97 - 12/02	N/A	N/A	Commissioner	Yes
Jim Fonteno 1001 Preston, 9th Fl Houston Texas 77002	(Elected) 01/99 - 12/02	N/A	N/A	Commissioner	Yes
Steve Radack 1001 Preston, 9th Fl Houston Texas 77002	(Elected) 01/97 - 12/02	N/A	N/A	Commissioner	Yes
Jerry Eversole 1001 Preston, 9th Fl Houston Texas 77002	(Elected) 01/99 - 12/02	N/A	N/A	Commissioner	Yes
Key Personnel:					
Authur Storey Jr. P.E. 1001 Preston, 7th Fl Houston Texas 77002	(Appointed) 9/25/1989	N/A	N/A	Executive Director/ County Employee	Yes
Mike Talbott P.E. 9900 NW Fwy Houston, Tx 77092	(Appointed) 5/18/1981	N/A	N/A	Director/ Employee	Yes

(Continued)

HARRIS COUNTY FLOOD CONTROL DISTRICT
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS
SCHEDULE OF BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
For The Year Ended February 28, 2002
Schedule 11
(Unaudited)

<u>Names and Addresses:</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees Feb 28, 2002</u>	<u>Expense Reimbursements Feb 28, 2002</u>	<u>Title at Year End</u>	<u>Resident of District</u>
Michael Stafford 1019 Congress 15th Fl Houston Texas 77002	(Elected) 03/01 - 12/02	N/A	N/A	County Attorney	Yes
Paul Bettencourt 1001 Preston, 1th Fl Houston Texas 77002	(Elected) 01/01 - 12/04	N/A	N/A	Tax Assessor & Collector of Taxes	Yes
Terry Thornton 1001 Preston, Rm 630 Houston, Texas 77002	(Appointed) 12/01/01	N/A	N/A	Investment Officer & Debt Manager County Employee	Yes
County Auditor					
Tommy Tompkins, CPA 1001 Preston, 8th Fl Houston Texas 77002	(Appointed) 01/01 - 12/02	N/A	N/A	County Auditor	Yes
Consultant					
Deloitte & Touche LLP 333 Clay St. Suite 2300 Houston, Texas 77002	3/21/2001	N/A	N/A	Independent Auditor	N/A